

Message Text

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61-S

ORIGIN AF-06

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INR-07 NSAE-00 OMB-01 TRSE-00 L-03 SP-02 AID-05 IGA-02

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DRAFTED BY AF/W:GADIES:IW

APPROVED BY AF:EWMULCAHY

AF/W:TWMSMITH

L/AF:FWILLIS (DRAFT)

EB/IFD/OIA:TBRODERICK (DRAFT)

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FM SECSTATE WASHDC

TO AMEMBASSY NDJAMENA PRIORITY

C O N F I D E N T I A L STATE 040599

E.O. 11652: GDS

TAGS:EAID, EINV, CD, US

SUBJECT:AGRICOLA AGREEMENT WITH GOC

REF: NDJAMENA 0287

SUMMARY: FOLLOWING IS ACCOUNT OF DISCUSSIONS OF AGRICOLA CASE WITH CHADIAN MINFIN DJOGO DURING HIS CONTACTS WITH DEPT OFFICIALS, INCLUDING AF ASSTSECY SCHAUFLE AND DEPASSTSECY MULCAHY. WHILE DJOGO AT FIRST DISPLAYED AN EXTREME RELUCTANCE TO EVEN DISCUSS AGRICOLA WITH DEPT, HE FINALLY AGREED TO REVIEW PROBLEM UPON HIS RETURN TO NDJAMENA. DEPT REQUESTS THAT EMBASSY FOLLOW UP ASAP WITH DJOGO TO SEE IF ANY MUTUALLY ACCEPTABLE SOLUTION CAN BE FOUND TO AGRICOLA PROBLEM. END SUMMARY.

1. IN MEETING WITH AF OFFICIALS, DJOGO PROFESSED SURPRISE THAT DEPT INTERESTED IN AGRICOLA CASE. DJOGO THEN STATED
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OWN VIEW OF AGRICOLA, WHICH IS SUMMARIZED AS FOLLOWS:

AGRICOLA TOOK OVER AN OPERATION THAT FORMERLY HAD BELONGED TO A NATIONAL COMPANY IN CHAD. AGRICOLA PROMISED TO MAKE AN INVESTMENT, WHICH IT HAS NOT YET MADE (NOTE: WE ASSUME THIS REFERS TO THE GUM PLANTATION). AGRICOLA HAS MONOPOLY OVER CHADIAN NATURAL RESOURCE, GUM ARABIC--WOULD IT BE FAIR IF MINISTER DJOGO ASSUMED MONOPOLY OF

VITAL RESOURCE IN US? MOREOVER, SAID DJOGO, AGRICOLA IS NOT CORPORATION, BUT SINGLE PERSON (NOTE:THIS IS NOT TRUE) AND GOC CANNOT AFFORD TO GIVE AWAY MONOPOLY OF NATURAL RESOURCE TO SINGLE PERSON. FINALLY, DJOGO STATED THAT HE PERSONALLY HOPED THE AGRICOLA CASE DID NOT BECOME A PROBLEM IN US-CHADIAN RELATIONS.

2. IN RESPONSE, MULCAHY INFORMED DJOGO THAT OUR INTEREST IN CASE ARISES IN PART BY AGRICOLA'S OPIC CONTRACT. IF AGRICOLA CANNOT REACH SETTLEMENT WITH GOC, AND IS COMPELLED TO FILE AN OPIC CLAIM, USG MUST BECOME INVOLVED. MULCAHY SAID THAT HE HOPED THAT GOC WOULD BE ABLE TO WORK OUT SOME SETTLEMENT WITH AGRICOLA IN ORDER AVOID FILING OF OPIC CLAIM. DEPT OFFICIALS DID NOT COMMENT ON DJOGO'S VIEWS OF AGRICOLA'S INVESTMENT OR STATUS AS CORPORATION.

3. IN MEETING LATER THAT DAY, ASSTSECY SCHAUFELE SECURED FROM DJOGO PROMISE TO REVIEW AGRICOLA CASE AGAIN WHEN HE RETURNED TO CHAD.

4. SUBSTANCE OF ABOVE MEETINGS HAS BEEN PASSED TO AGRICOLA PRESIDENT LICHTENSTEIN, WHO IS NATURALLY FOLLOWING DEVELOPMENTS WITH GREAT INTEREST. LICHTENSTEIN HAS BEEN MOST INSISTENT THAT DEPT BRING UP WITH CHADIANS POSSIBILITY OF HICKENLOOPER AMENDMENT RESTRICTIONS THAT MAY COME INTO PLAY IN CASES INVOLVING EXPROPRIATION OF AMERICAN FIRMS, BUT DEPT VIEW IS THAT UNTIL DECISION HAS BEEN MADE THAT EXPROPRIATION HAS OCCURRED, OUR INTEREST IS LIMITED TO AGRICOLA AS OPIC-INSURED FIRM AND TO OUR GENERAL INTEREST THAT AMERICAN INVESTORS OVERSEAS ARE TREATED FAIRLY. THIS IS POSITION TAKEN IN DISCUSSIONS TO DATE WITH CHADIANS.

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5. ACTION REQUESTED: THAT EMBASSY CONTACT DJOGO IN ORDER DETERMINE IF AGRICOLA HAS GOOD CHANCE OF REACHING COMPROMISE SETTLEMENT. INGERSOLL

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